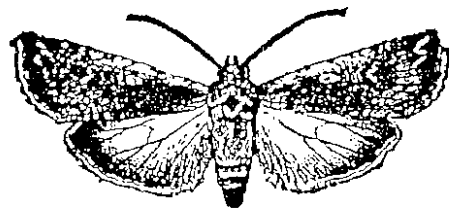


GOLD NUGGETS
- for -
STOCK AND
COMMODITY TRADERS



by
GEORGE BAYER

THE HOUSEWIFE goes to the store to buy various kind of necessities such as meats, sugar, bread. In other types of stores she will buy other kinds of necessities such as clothes and shoes.

The venders of these goods on the other hand have to purchase them from wholesalers in a way to take care of the demands and wishes of the community in which they operate. Farmers in the state of Maine probably have different tastes than those of Texas; thus many articles in great demand in one Texas store, for example, should prove to be shelf-warmers in Vermont or Maine stores.

The wholesalers, from whom merchants buy their goods for local distribution, also have to buy them from large factories or from big mills, slaughter houses or flour mills, shoe factories or larger growers. The actual raw products such as grains, raw cotton, raw hides, etc., are usually first assembled through growers selling them by way of an Exchange, called the Market. These markets are located in major cities. Through their assistance sellers and buyers are brought together to effect national re-distribution. In the very same way Stock Exchanges operate, only in this case it is a question of handling corporate values.

It is known that all sorts of values change their own values in the course of time. Some move upwards, others move downwards and reverse themselves after more or less extended time intervals.

In order to show two concrete examples, we know that a house in

1942 sold at \$5000. This same house in 1948 sold at \$15,000, three times more than its value in 1942. True, it's the very same house that is involved, only that it has aged six years and yet, its monetary value has increased accordingly. Those little coffee beans of Brazil have changed in retail value from 25 cents to 55 cents a pound during the same period. Such phenomena come under the heading of Laws and Economics. The changes seemingly cannot be judged ahead of time, only guessed with such tools as we have available so far. While in other sciences we can measure the thickness of a tinplate to the nth inch, the speed of our engine to the split second, etc., nothing apparently has been accomplished in the direction of the probable price movements so far. And yet, in olden times there existed wizards who had ways and means to figure out those price changes. Let's call them "mutations", but the art seems to

have been lost. Either the modern grew dumber by the hour or else they just simply shy away from the truth, not even wanting to know of it . . .

There are certain types of people who attempt to profit by those price changes. They attempt to buy when prices seem low to them and sell when they had their rise. Such things are easier said than done, any one but the most inexperienced trader knows that. Some secret must be involved in those operations which none of the scientists have been able to re-discover. Thus, they leave it go at that and mess around with crude instruments, the same way as the aborigines fashioned knives, swords, bows, etc.

There are some people who through special studies of these price changes recognize that certain repetitions do occur in the way of price change. They keep charts of price of stocks and commodities from day to day and attempt to

make deductions about what the next price tick should be, whether up or down. Some dare even to prognosticate long term trends of the price changes with more or less success, depending on how good their instruments are that should show such things. The more we delve into the secrets as to the cause of such movements, the more we must admit, they are just invisible and incomprehensible to us, because economists and forecasters try to use visible factors which consist of crop outlook reports, statistics, rainfalls, in case of commodities. In the case of stocks they use earning statements of corporations, the number of blast furnaces in operation throughout the country, the dividends paid by corporations, etc. Each and every such supposed indicator is based upon the immediate presence, the closer to it, the better. They should tell them the future price levels! But, checking their reliability with the results ob-

tained from such deductions, we find much to be desired.

What I am explaining in this short Manual should be just a "Mean-well", trying to lead you over to something much more desirable and useful. The way is hard, full of thorns and stickers, but what rose is not without thorns? The little aphid that climbs around the rose bush often times will race out towards the end of a thorn but has to retract its steps, trying to find the way up, that leads towards the real juice of the rose bush.

Some of the comparisons that had to be introduced for better understanding are somewhat rough, some of them may seem to hurt sciences of various kinds and their students. However, when the truth is involved only we don't have to worry. A doctor who tells his patients frankly that his tumor must be cut out, will hurt his patient, who don't want to be cut, but is it not to his own interest to be told?

Now let us go over into the big field and see what can be handily seen without upsetting the apple-cart too much.

Wherever we look in the economic cycles, be it in industries or in merchandising, in real estate or in stock and commodities markets, we find that over periods of time we have definite trends that lead from a low level to a high level and back to the low level again. On top we have the saturation point while on the bottom we have the desperation point. On either side we find therefore what we shall call "an extreme". Just like one salami is connected with another, only separated by a string, so the cycles of prosperity and depressions follow by immutable precision one to the other. At periods of high prosperity it never has failed that the news tells us of a "new era", while at the bottom of desperation everyone sees the illusory big abyss right in front. In the Bible we can read that even

in those times they were not immune of famines and of periods of great prosperity in form of herds and tents. How can we expect something different from this old world? These Ancients had mighty rough treatments then, are we any better now?

In order to discover the low era of prices in commodities or stocks, we have not far to go to recognize that. It is at a time when stocks sell for one eighth, not one or two, but hundreds of them. The better situated stocks of larger companies whose "outlook" is very bright, may at such times sell for three, four or five dollars, those who did parade between 100 and 200 not many years before. However, why we, the public do not buy them there, is caused first of all by lack of ready cash. If cash is available or on hand, then we are all afraid it might still go lower than the eighth, to nothing. But such is not the case, since we must recognize

once and for all the idea that a stock is just like a perennial plant (flower) which is different from an annual plant. The latter grows but once and dies out completely, requiring a new seeding to grow a new crop. But, with perennials, we have a death of the complete plant, except of the root system which is underground. And mind you, such deaths of perennials back to the root system occurs not only on account of frosts as it happens in the East or mid-West, but those deaths also occur with those perennials out West in California, where we are supposed to have eternal Spring. In case frosts do occur there, they are of short duration and do not cause any deep freezes. Consequently, heat or cold are not the driving force that brings death to the perennials! Apply the same idea to stocks and commodities.

This thought alone, if properly understood, must make you buy when a bunch of stocks sell at 1/8.

There will be a time when we shall see the stocks at such levels again. By all means we must discard the idea of "new eras" of the half-wits.

Now, the period of saturation i.e. the top levels in stocks as well as in commodities are not any too hard to find either, when we make proper comparisons of other kinds of lives. An outgrown tree can live for a long while, but it surely cannot get any taller. The same with an outgrown man. A violet will never be taller than a few inches. A red hot poker will never be taller than two feet at the most. Those of 2 1/2 feet are useful for flower shows. Thus, each stock has a certain extreme height, which, when reached or even approached is a safe place to cash in on and let the others have the extra gravy, in case there should be some. If you can carry a stock from one eighth to one hundred or even only up to fifty, how much profit is there in it? Of course, I am not speaking to

hogs who are never satisfied with anything and never will be. Just for curiosity's sake go to some library and see that back in 1932 you could have bought half the stocks listed on the exchange for one eighth each, the same as in 1921 or 1907 or 1893. More about recognizing tops will be said further on, when I explain about the perfume thrown out of the flowers to attract the bees, even the bumble bees.

PART I

One of the gravest errors of business people, of traders in stocks or commodities, is the prevalent idea that any old time is good enough to begin something, be it a business, a profession, or trading, etc. They are of the opinion that as long as they are ready to start, Nature of necessity must also be ready to follow their own instinct.

Nothing could be more erroneous than that. When things go their way they are of the opinion that it was their intelligence and guts that made everything go hunky-dory; when things go awry, they ascribe it to anything but to themselves: to the weather, the neighbor, competition, poor visibility, anything that sounds plausible to take care of their haughtiness, ignorance or other shortcomings.

In the very same way many a professional handles his clients. They remind me very much of the

so-called market letter writers or, similar writers who have the ability to appear as if they were the only ones upon whom the welfare of everything rests. They can be as wrong as possible, yet, the way they write things away or the way they give their clients lozenges and pills, plasters and smears, whether they do them any good or not—the documentary papers say: they know about it. If the account gets weaker and weaker, what's the difference; there are plenty of others...

They all say: there is only one salvation. But which is it? Who finds it without being first stung by that famous viper of the Bible and dies a premature death himself?

I know of one of the cleverest of market letter writers who operates for years on the same principle as follows: His yearly earnings, as someone informed me the other day, is 30 thousand dollars plus. He comes regularly to a certain broker.

"What do you think the market will do"? he asks of the customers' man who is merely an instrument to fill orders. Then he consults a certain funny strip of the newspaper to see what the picture represents. If the picture shows a sordid face, he writes in his next market analysis: the market will decline and builds a story around it. Should the fellow, whoever makes the picture, put a laughing face on or even a Sun shine, besides, he is sure to write: market will make a gap up and will go very, very far up, etc.

But, we won't ridicule just one of those specialists; let us show something about the others, here and there. Some use trend lines of charts. If the price crosses upwards, they become bullish, if it drops below such a line, they get bearish. Usually, Nature makes prices just cross far enough to make them get haywire. Of course, there are times, when even the dumbest trader will

hit it right for once. Immediately they put on their heads a wreath of ivy or rhododendron leaves. Man's fancy goes a long way into all sorts of bizarre ideas as to what it is that moves the brains of the public to want stocks or grains or not to want them. Many of them go for astrology and break their brains to make planets run around the Zodiac for better or for worse just because the Ancients have spoken about it so much. However, they do not even think that those Ancients were not dumb bells who carefully omitted the most important phases, upon which everything is based. When one has studied carefully some 50 or 60 texts on astrology of all periods, he gradually gets the idea that something very important is missing. What it is can only be gathered through study of texts which on the surface have not the slightest thing to do with markets nor with astrology nor with anything tangible. Of such quality are

old Poetry, strange Prose works, Fables, Fairy Tales, and related works. The study of such books gives one ideas, strange feelings of what it is all about, and only years of deep study, and following out all the various performances contained in those stories, will gradually lead one to a path that is not trodden by the public at all. They do not want to go such ways.

At some other place I speak of letter-shifting in words, without which nothing whatever can be accomplished in the way of forecasting anything. We just take the two words above and show what I mean by shifting letters:

Fables we must call Tables; Fairy Tales we must call "Very Tales" i.e. true. If we call tables or fables devils, we are not far wrong either.

In order to explain the situation clearer, let us take any of the Fables of Aesop or of La Fontaine. Usually they are animal stories. We have

to put a lot of imagination to use and express everything that is said and done in the story into movements of lines in a chart just the way stocks or grains produce when we plot their price movements on chart paper. Some of the excited actions, such as when the great big wolf does some naughty work, would be shown in our own production as a big strong upmove in stocks or grains, that takes all the little traders by surprise, who are sitting and waiting in the broker's offices for a reaction. Before they realize what that wolf is up to, he has eaten everything up (prices went suddenly sky-high). Before the traders have a chance to even think, it's all over. In that way all the various fables can be worked through which gets us to realize that the old Greek Aesop wasn't so dumb after all and what we so far considered as childrens stories, have quite a different meaning! and will prove valuable, when

plotted out in form of lines and applied to markets!

The name devil is here not to be understood in an evil way, but in a way which makes the actors in the fable always do things which normally are not expected.

Here are some secrets about short swing trading by using numbers and shifting letters accordingly. But, it is necessary that we use the German language when operating and not English words. It should be comparatively easy for you to get a German grammar and also learn the numbers from 1 to 100 the way they are pronounced. Mind you, it is mostly the right pronunciation that gives the cue to what is going to happen. For example, we must know that the endings of the ten units, such as 20, 30, 40, 50, etc., which we always pronounce as -y as twenty, thirty, mean in German "zig". Thus zwanzig, dreissig, vierzig, etc. Now comes the secret: this ending "zig" means in the cov-

ered language "sick". In old German it was siech, i.e. not well.

For a stock which sells at 37, we would make the deduction as: sieben und dreissig. Now, in order to arrive at our final part, we also must make a shift in the word "sieben" and turn it into "sieden" which in German means "to boil." Thus we have the solution, provided we change the meaning of "drei" into our English to "try." Sieben und dreissig means thus: Supposing a stock sells at 37, then we can, provided it boils there, expect 3 more & try then the "sick side." What we understand as "boil" in market terms, we all know: great activity, without getting anywhere. Let us take another example: 47; 40 would represent with some imagination the word wuerzig, "or strong; strong which means "spicy". Thus, it contains the idea of: if it acts spicy and at the same time if it boils, then add 4, so that the situation becomes "sickly" at 5, and

sickly has the German meaning "sich legen" which means "to lie down." In case no spicy move shows up or if it does not boil at 47, then we have to expect higher automatically. The word fuenzig (50) the idea of nifty (winding itself), the word "twenty" contains the idea of a "swan who proudly sails through the pond. 60 contains the idea of sawing with a saw "setting"; thus, 61 would call for a setting an egg (a gap up) and then a setting itself. Therefore, a stock which makes sixty, and then a gap up over 61 which represents its egg, is ready to sit down; i.e. close the gap again.

The word "two" (zwo or zwei) relates to the German word "Geweih" which are "antlers;" therefore we must expect double tops at 72 provided it makes top; thus, a stop would be required at 73, because that (73) is due to make a "tree" (three) and run right to 76, three points further up. Seventy itself

represents the idea of "shave" while 80 has the idea of "watch out" and 90 has the idea of "neig dich", i.e. bend down, and hundred has the idea of "anders" which means: go the other way round now. Consequently, all numbers above 100 would require just the opposite effect as had been in the numbers before i.e. those of 1 to 100. An easy way to check on the performances is by way of old charts which have been correctly made and see what happened.

Operating that way requires to be at the tape, especially when trading in grains, where commissions are not so high. Many a trade can be made, provided we do not get hoggish or expect too much, and, besides, operate with stops. The numbers between 9 and 13 have special words in German as: zehn, eleven (11) and zwoelf (12).

The meaning of ten is "schoen" because the one and the zero together are "nice", "elf" (11) I call

"helf" which means: call for assistance, i.e. call for more provided we hit 11 and "zwoelf" (12), I interpret as "die Woelf" i.e. the wolves, which tear things apart. Thus, going to 13 (drei-zehn) calls for an additional three teeth, i.e. 16.

Now, 33 which is: drei und dreisig, means three and another three and then it will get sick; in other words, a stock crossing 33 should go to 39 before we can expect sickness therein.

Going back to 12 once more, a stop within 12-13 would call for a reaction to 6 (tear apart - tear in half!) while going into 13 would call for 16.

The explanation given is mighty difficult to understand, but patience, comparison, and experience will give you many signals.

Some of you may notice the numbers only show sickness (-zig) and nothing about health, that is, when they should go up. However, look closely and you shall see the others

too. It's in the crossings-over, whereby they are visible.

Why we just have to use the German language as a base to build our numbers on can be explained rather easily from the word "German" itself. This word has a connection with the German word "Schirm" which in good English means an umbrella. Let the "Schirm be expanded over Germany, (the Schirm, that's me - Germany) then we see that all the other babies of Europe seem to be herded around under the Schirm—the heart of Europe. If we try to let Europe run around without a heart, we shall have no umbrella. Doctors cut out anything if the patient is willing because they think it's superfluous. Thus the European languages seem to have come from there, in spite of the fact that within Germany proper or whatever used to be the "umbrella", there are dozens of dialects, so that a northern German just can't understand

the others and visa versa and yet, they are part of the main umbrella. This umbrella idea is also shown further on, where I show the two sides, heaven and earth! Man in that case is below but the "Schirm" above. The good Schirm is rather wobbly, subject to the winds, being only fastened to the umbrella stick. It is even possible that the wind turns the good umbrella inside out. What then? Then we shall have no more "heaven," but an earth above us. Such things we would have to call war instead of peace! Know, that it is always the umbrella that suffers the most, not the people underneath that umbrella. Therefore, when we go back in history, we always find that nine out of ten wars have always been fought inside that umbrella that was just then turned inside out. That should give us much to think about that heart of Europe when we try fix Europe again. Various hunks have been taken from the

heart and used as flesh-builders on the rest of the body, called Europe.

There always will be people born at periods which we may call "Joves". They have been born with a silver spoon in their mouth, nothing less. Anything and everything turns out well with them. Be sure it is not caused by a pile of knowledge or such things. Knowledge is only acquired after many years of hard work, but a Jove is already born in castles or mansions. There are many other types of people born, some we call Saturnians, others Martials, others Venusians or Mercurians, some even Lunatics, Idiots, also Soleians. Anybody that is in the wrecking business surely is a Saturnian, anyone who is a soldier by profession must belong to the Martial types. Analyze the others the same way. Now, we find these types not only in persons, but also in grains, stocks and other things. A bear market is Saturnian, a bull market is Jovian. A big side-

wise movement with a lot of gaps may be called Venusian, etc. Therefore we are bound to call anything that lives (moves up and down), a living being, even though it may appear to us only as a ghost. Markets are constantly in action. At times such actions are good, at other periods they are bad (downwards). Since the size of a human being does not extend beyond 7 feet, so the movements of the ghosts (markets in this case) are never beyond a fixed limit. Once in a while the circus has freaks, dwarfs, fat ladies, also giants and, we also know, that their lives are short-lived. Whenever we try to classify the types of people or of the ghosts, we quickly run into snags, since Nature does not talk so openly. The thoughts of people, never mind how high or how low, how much science has been pumped into them or ignorance, seem to run contrary to an ordinary classification. We feel as if the market will

drop and, pronto it goes up. We think sky is the limit and find ourselves ten points in a hole before we even realize that we are there. The cause of it is to be sought in the fatal sin coming from Adam. In the covered language which I uncover here for you, it means: the Vital is in (inside). Everybody knows that the lungs, the heart, reins and liver are inside decorations of our body, invisible, unless the body is cut open, while the outside parts, such as the members through which operate our five senses, are outside decorations. We also know that the two kinds are very much dissimilar. That's why they have surgeons as well as doctors who studied especially the invisible parts and their actions. While we are at that, we might as well state that good and evil has nothing to do with those parts that are called external and internal. That is something entirely different. Thus, keeping the outside members as one unit and the inside

members as another unit, we soon know that parts of each such units can become sick, i. e. collapse. On the other hand, we know that as long as we are healthy, we do not even think of our various members that form the body. Consequently new traders, who never have gone through the mill, see everything always in good health, including their account. Only, when here or there something goes amiss, as a slight intestinal attack from eating unripe fruit, or a headache from being up too long, from drinking a little too deeply, from running too fast, do they half-way recognize that somewhere there is a limit set for us. Young people usually can easily overcome excesses. So can stocks and grains after they have been "re-born" (emerging from a bear market). Later on, when age creeps up on them (after long bull movements) will the fact be recognized that an indisposition of some kind usually begets another, a third and

before we are fully aware of it, they lie flat on their back in bed. So do our ghosts. They fare not any better. Careful study of the above mentioned phenomena will make us see the big bull and bear moves very nicely. Of course, an ear ache, a corn, or a pimple won't put us to bed right away; it's a passing affair. Same in ghosts! But a sudden dizzy-spell or a prolonged desire for sleep, (inactivity in markets) or a persistent fancy to do things which one would not do ordinarily constitutes a warning that something is fishy. A desire for vegetables only, or for big steaks only on our menu says plainly: watch. Thus, when our ghosts on the charts grow only vegetables or only big steaks, expect a change of diet! Just like one who can consume lots of liquids of what ever sort, that one will not win in races of any kind. Do you know that periodically, too much sun, gives a stroke and too much shade begets a cold fever? We must equal-

ly realize that only small things bring forth big ones, such as a seed gives an oak tree and an eighth up gives the many points. And here is a very important law.

Any action,* whether of man or by one of our ghosts, undertaken when the heavens are evil, will turn into a loss and never into any gain. The only difficulty for the public to know is, when are the skies good and when are they evil. We all know that "looks" are not indicators, because a bright summer day can bring a terrific thunderstorm by mid-afternoon. A foggy morning can last with its fog all day right in Los Angeles. A tubercular patient in the last stages has usually a rosy face!

It makes us dizzy when we try to classify for example our plants from the type of flowers formed. Some have six flower leaves, others innumerable, others have the form of a lip, etc. The same troubles are met with in zoology. With com-

modities we do not fare any better, since some decline while others rise, and again others do nothing, all at the same time period. Thus: which is which? And yet there is a solution to the whole mess, but, oh! how hard and difficult, how complicated and how far removed from the mind of the people! Yet, there are some of the people who think all they need to do, is draw a trend line or listen to the gab of their fellow travellers and their trading account will rise continuously ever more. They know nothing of podagra nor of dropsy, neither of any of the hundreds of diseases that Man is subject to, before he arrives at his destination, eventually. That ghosts are subject to diseases we now can see clearly, since they are man-made, caused by the "will power" of them, as they go to it in their buying and selling. They use their free will often advantageously, though sometimes they miss the target.

* *By action in stocks or grains I mean "long buying", which is contrary to "short selling", comparable to expecting a "reaction".*

Is it not obvious, since we have to deal with life all around, with the 'this and that', 'tit for tat', that is with the 'eat and set', 'produce and destroy' or whatever we may call it, that we have only a fifty-fifty chance to guess right, everything else equal. This is the cause why very few people are able to work themselves out of their midst (milieu), in money or capability, in looks as well as in habits. One can't make a goat out of a fish nor any such things. Of course, if you know something about flowers or plants, you will know that improvements are often possible with them, but the second or third generation always is prone to fall back into its original state. So that speaking of our ghosts, the amount of the construction must tally with the eventual amount of destruction.

We occasionally hear of or see some charts covering longer periods which carry a so-called "basic trend line" which over the periods show successive higher bottoms. But, on hand of what I explain and what is right, is that not a folly? Some human source may have its hand therein, which upholds a certain price by sheer force, until the period of decline has normally run its course. Then the trend automatically changes all by itself and produces an up. But, one nice day they won't be looking or their money gives out, then they will notice that something superior than money or human power is running this show.

PART II

Human beings are especially subject to their senses.

Superficially it may appear that with all our willpower which is supplied to us, we can form, stretch or bend anything, we desire to have take some other form.

We possess at present plenty of machinery which dispenses completely with the God-given brains, so that many a big machine can be handled and operated by a child just simply pushing a button. However, we are at a loss, how those Ancients or those people of bye-gone ages could even have existed without trains, autos, radios, etc. We may imagine that in those times people were born behind the Moon, that they lived in caves and chewed some wolf's bones or bear bones to satisfy their appetite. Of course, we present day inhabitants of this globe very seldom think how it was possible for those old-timers to lay

the top-most stones on the pyramids, to build those magnificent temples. How they made those ever-lasting colors and dyes, how the famous doctors cured their patients without killing them. We wonder about the wisdom of the ancient writings, about their paintings, and statuary, we even wonder about their ideas on clothes, etc.

In order to approach the subjects in a rather queer way, we must realize first of all that there exists, and always did exist several types of people who were born as such, unless we want to say such types were brought on by education as follows:

Certain types of people live only in the present. Let us call them the average type of people as we see them run around, ride around, that think of nothing, who see and hear nothing except that what runs right in front of their noses or makes enough noise to be heard.

Another type of people live only

in the future. They always want to know what is going to come in a way of novelty, in the way of new styles, news, scandals.

A third type of people lives practically in the past. Among them we may place the older people who have gone through the mill, for whom new-fangled things are just no attraction any more. We must class among these also nearly all scientists, who try to learn from that what is past or old, to apply the past ideas either the same way or in a modified form for present day use. Let me give them a name for better understanding. We shall call them the "unearthers,," i.e. those who dig into the past and seemingly unearth something that had been known for centuries. Some of those ancient things may be unearthed for the glory and the picture that gets into a magazine, others unearth for the money that is in it. As a rough example, let me quote an old contrivance which we

used at home nearly 50 years ago. It was made of tin, a sort of a stand with a hole inside. We used it for cooking milk; it prevented its overflowing. A few years ago I saw a similar contraption in "new style", made of glass inside of a coffee pot; only the tube inside was very narrow instead of wide. Had that man who thought up the glass idea not lived in the past i.e. searched into the past, that "invention" would not have occurred... Of many things found through search of the past, we have no way of telling what was done with them, how they were produced or used.

One of the greatest hoaxes of all times was played by the ancient writers, including all the Greeks, Romans and up the line. It was the shifting of letters in words, about which I spoke already in one of my works published in 1942. During those six years that elapsed since then much opportunity was presented to verify these statements in

the works of all sorts of ancient writers. Some few things must have simmered through into the brains of scientists, about what was going on. Other changes, as they had been made, were so obvious that even a donkey could have seen it. In short, they said in all their sentences one thing, nay in every word they said one thing, but throughout they meant something else, altogether. In order to keep up such a farce, they must have had a pattern of something upon which they could work such things quickly and constantly, leaving the readers on edge and in complete darkness as to what they were even talking about. Whatever they wrote sounded plausible, and interesting, but those writings had the one beauty or rather disadvantage that after reading the whole story carefully, the reader was just as wise as when he began, i.e. one could retain absolutely nothing. Any such work, wherever you find it, is "doc-

tored" with plenty of sense, but belongs to the "untouchable" type. You may take into these works all those books that are "ancient" or "classic", many of whom have been growing right in our own back yard, such as of Tennyson, Emerson, Van Dyke and many others.

There is one thing sure and positive: All these writers must have had a command of five or six languages other than their own, else they could not make these changes in their style of writing. They must have devoted many years to the study of ancient works, dissecting them just like a student of divinity dissects the idea what is God or as a surgeon-student cuts a piece of your inside into so many parts and looks for something that isn't there.

But we do not even have to go back that far, if we touch upon some other subject. Let's take music. Good old Strauss would turn around in his grave, if he would know that the moderns run off his

waltzes at a speed that appears like a race to get through before it is 6:15 to be ready for the next program on the radio. He would turn a second time to hear the modern composers, that have no ideas of their own, take his old waltzes and "modernize" them by throwing in between some unheard-of twisters and concoctions that are copyrighted for good reasons. True, we have grown a few good music pieces, but how many compared to the big crops of yonder years?

As to the changes that occurred with clothes we don't have to go much into details, because they change like the weather and the seasons. From hoop skirts they went over to the darning-needle styles, from the street sweeping tails of women dresses they went up to bathing trunks. Lately, they seem to have a trend towards hoop skirts again.

In regards to paintings, we know that many serious students

work hard in galleries trying only to copy old paintings. Invariably they have to admit, they cannot get that warmth of color together like the old masters did. No art or science of the present time has been able to delve into the secret of how it was done.

Speaking of diseases, it is well known that Paracelsus used to cure the lame, the blind and the halt within a short time without any complicated concoctions nor without cutting the whole body to pieces as a last recourse. He explains fully the way he has done it, but unfortunately he used that awful hard language spoken of above, that nobody could read nor understand, unless he was one of the initiated. We see him crack jokes about the then medical doctors and surgical doctors, stating that they like to mention specially that one is a surgical and not a medical doctor or visa-versa. He tells us: If you'd know anything about doctoring,

you would see for yourself that you cannot be one and not the other, only the approach is different!

Of course, in our modern "childishness" we feel ourselves so far above those ancients that most of us do not even find it worthwhile to bother with those old hags. Who on earth, at present, would think that, of the many and very different things, they also knew very, very much? Just look into old Cornelius Agrippa. You shall find that they even followed price movements of all sorts of commodities, such as of rubber — yes rubber — oil, cotton, grains, of course, etc. In the works of 1001 Nights we find that they traded in hides then already. They even knew when the commodities individually had to rise and when they had to fall and how much they would drop or rise. What have we been able to do in regards to finding prices of commodities ahead of time? Just see what Universities tell us of the results of

tests about what forecasters did forecast. I believe it was the University of Chicago that made some such tests a few years ago.

Of course, about those price movements of commodities as well as those of stocks, we must know that they are guided by our senses. Why else would the exchanges carry in brokers' offices the prices of all transactions on the Trans-Lux, if they did not want the clients to see what they were, that the noise made by onlookers would inveigle people to buy or sell, as soon as the price picture changes to an up or a down? How come that for months brokers' offices are empty except for occasional chronic sitters, while at other times a view from the door step is the only means of seeing what is going on. Who drags the people there, who makes them avoid the places for long periods? Who makes the people buy right on the top of a day with six and more million shares of stock chang-

ing hands and sell their stocks right smack at the bottom, when a quarter million shares is called an active day? Some say it is the earnings, others blame the cause on the dividends, some blame the crop outlook and others blame the rain in Kansas, answers that are as naive as if we say to a child: who brought your baby brother and it replies: the stork.

Of course, to find laws as stupendous as those that make the merry-go-round it takes more than a written piece of paper which states that you are a specialist. The proof is always in the pudding.

Old Ben Akiba, whoever he was, said once: Everything had been already. The answer therefore must lie in the past and cannot lie in the present, neither can it be in the future. Lying itself implies it must be in the past.

Thus, for anyone who endeavors to find out how things move around on account of production must

eliminate everything that is of the present as well as of the future. A business chart or a chart that shows current prices of stocks, grains or other things can't be of much value unless you have the cause of the movement and follow that cause first and constantly (and that lies in the past!)

In consequence, only people who belong to the third class, who had lived in the past, can be the ones who are apt to find the cue which has to be used and none of the other two varieties. The second type are the onlookers, the third type are the hoppers. Their taste, smell, feeling, ear or eye will do them no good whatever, since these five senses do not operate while the body is in the past. Therefore, from now on, in this present discussion, we shall speak only of type one, those who live in the past.

Among them, we find some very shrewd articles. Most of them are of the quiet, unobtrusive types.

They talk little, but think a lot. They recognize the futility of guessing or hoping, not only by seeing how others fare, but from their own past experiences. They are convinced that something is the cause; they know they do not know it. The nearest subject to tackle is a science called astrology. As soon as they have mastered it satisfactorily, they find out that something else of necessity must be added thereto, even if that something is to be taken out of the air. One thing is perfectly true: the real thing cannot be found unless it is via astrology and the most difficult one at that. You must be able to let your planets run fast or slow, form all sorts of aspects, know of their speeds and special habits. You must recognize that there is something to it and recognize besides that many additional things are to be learned and included without which the whole study shall turn into a flop.

However, there is one consolation for you: Carlsbad, N. M., with its big stalagmites and stalagmites. From water drops these big columns could grow; so can your knowledge grow with persistent hammering in old texts as long as you are able to add once in a while some new idea which is contained therein, but of which wisely, the ancient astrologers never said booh about it. The main difficulty should be in the lack of foreign languages which are of absolute necessity, without which nothing of value can be accomplished. This may sound strange, but it is true. Recently I obtained from Germany a "Paracelus" in its original medieval language. So far I had but a translation. What a difference! What struggle through English, when in old German the words speak of themselves! (at least many of them). True, I got a house together even in English, but it was a measly shack. I made a castle out

of the original text, nothing less. No wonder they want you to know the original Hebrew in order to understand the Bible!

Anyone who has made some studies of these ancient texts, such as those of Greeks or Romans or of our own poets, will have noticed that, whether in prose or in verse, the sentences contain always several adjectives, mostly two only, while other sentences contain long strings of substantives which when properly analyzed show related words, so-called synonyms. To the average man who is not used to look closely at the meaning of each word, they would mean all one and the same thing, while there is much difference. The series can be of a good Nature as well as of a bad Nature, depending upon the sections treated. We all know that there is a good and a bad, two sides. The good words must run in the good rhythm, while the evil ones must run on the opposite side of it. So that

speaking of astrology it may be compared to: one side: 0, 15, 30, 45, 60 up to 180 degrees, the other side: 180, 195, 210, 360, etc., separating into a left hand over the head to the right hand, as one unit, while the other unit runs from the left hand downwards to the feet and up again to the right hand. Who runs and in what rhythm should not be hard to find out. Suffice to say that this is the way they run. Now, another thing you must consider too: the angles as I show above are only given or mentioned to give you an idea that there are divisions necessary to be made. They are not just ordinary divisions but they have the forms varied, even indentations are needed thereby. So that, in short the whole picture looks like a butterfly; the two top wings of the butterfly represent the good side, the lower wings the bad side.

You possibly heard of Ovid who wrote a work called "Metamorphosis", which covers a development

such as from an egg you first get a tadpole and only later on a frog; so you get from another egg first a worm, then a puppee and only later on a butter-fly. While a tadpole has a rudder to steer himself around the pond, a puppee has no such rudder but has grooves in its hard crust for good reasons. The caterpillar stage, is very hard to explain how that would fit into the picture, unless we wish to use its motion, as it crawls on the tree or twig, to illustrate the small motions of price movements. Thus Nature affords us all sorts of clues to observe, to look at carefully and to use for our own advantage. It shows what length of time means: The development from the egg stage via the worm into the puppee takes the longest. When once a butterfly, its life is quick over. True, the butterfly can flutter everywhere, wherever he likes to go to get honey. But to be a butterfly, that takes time!

Remember for ever, that the An-

cients have written about nothing else than what I just now explained to you, all in covered language.

In short, what they explain is the timing of things, when something makes a beginning, when an end and all that is between.

As to the two other types of persons which we eliminated for a while, we shall call one: the moment the puppee turns into a butterfly and the other while it is a butterfly. Now, tell me, would you call such people scientists or knowers who know a butterfly when they see one, but do not know anything about that it required first an egg, then a worm, then a puppee to become a butterfly? Would you call an epicurist a man who only knows how to eat a ten course dinner but doesn't know anything about how that meal had been prepared? Can I call myself an automotive specialist just because I have driven a car thousands of miles? Is a boardroom sitter a trader in stocks or

commodities just because he knows the prices that pass over the tape?

We know from astrology that the Sun itself has some 40 individual motions all by itself. The same applies to the other planets, including the latest located ones. It's one of those motions that must be used. It should not be at all difficult to find that motion which we need. Paracelsus adds, however, that even when we have that one, then we still are at odds to make that baby go around the right way, in peculiar ways and habits, so that you can see the Sun rise and the Moon set, that you can see when something is wrong with the liver or with the cotton, to know when to change and when not.

Know one more thing of greatest importance: Men are prone to work subconsciously for their death i. e. they try to get it all over with and that is why, we always begin to tackle things first wrong and not right! So that, should you hit on

the one who does the trick, be sure to think of that: You will have him go the wrong way first! and that wrong way kills and does not tend to life. This can be easily verified with market charts.

Thus, the series of synonyms run always around the contours of the butterfly!

AN ILLUSTRATION

The best illustration I have been able to think up as a guide to traders of stocks and commodities is the following:

Imagine a perennial flower (not an annual). It has a root system from which the growth begins each year, that is for each cycle. If the plant dies out altogether, then the root system is destroyed too, but that happens to perennials very seldom, unless they are not "hardy" in the respective sections.

Now, comparing the perennial plant with our Ghosts, i. e. all stocks, and all the commodities, we

find that at the bottom of a bear market the root is all that is saved. In stocks they are from $1/8$ to $3/4$ or thereabout, which we can easily verify when we check values as they were in June 1932. We let the stem grow first. Then follow a few side-branches (even on a perennial! which produce leaves; afterwards we get a flower bud or several of them, depending upon the kind of flower we observe. This bud develops finally into the flower. To the general onlooker that is all what's to it. However, the better observer notices much more. Especially if the observer should be a bee. That little animal may be ten feet away from the flower, but that flower has an invisible drag-net so to say in form of the perfume of its flower. This perfume seems to have the shape of a magnet. As the bee flies through the air it gets into that magnetic field of the invisible perfume and being once in that current, just has to follow it to find

the honey. Didn't you ever wonder how bees could find the honey? After a while the flower wilts for lack of water or on account of age; right there and then the perfume disappears too. The very same idea must be used with our ghosts, how they are able to attract the public only when they are in full flower but not before! The public has a nose to smell when tops are coming, when a lot of honey (money) can be had. Unfortunately their smeller does not tell them when the money stops. They keep on trying to suck out the honey that isn't there anymore and so they have stocks at extremely high levels and save them to sell out in the winter for nearly nothing when there is absolutely no demand for them, as is shown from the emptiness of brokers offices around bear market lows. That is the time when they try to get rid of them because they pay no more dividends or such things. The perennial is back at its roots and so is the cross-

eyed trader who mistook a top for a bottom.

Learn this picture by heart, and don't forget it anymore. You never will then sell at or near a low and you won't buy at or near the top either. And that is more than many a smart trader can say!

Remembering the habits of certain plants we are enabled to recognize the smaller bottoms and tops by merely looking at the so-called daily charts and watch for the pattern belonging to those plants as they are formed.

For bottoms we use a plant called Funkia. If it is not in your dictionary, go to any greenhouse man and try to obtain details about its habits. He may even have a batch along the walk or under some tree. In the early Spring the recognition is perfect, but we must dig them out of the ground and even shake the earth off them so that we can see best what I am trying to explain. After we have done so, we shall see

that the picture looks the same as if you have undug a batch of Convallaria majalis and shaken the earth from them, or, it appears as if you have before you the skin of a porcupine or else it looks as if you have a big birthday cake with many candles.

In all cases you must imagine that some mirror is placed under them so that they all show a reflection below. Thus, we have a sort of a half-way line in the middle whereby prices flare up and flare downwards getting to fill the range nicely but never producing beyond. They form a sort of a plateau which can last from two weeks to a month, even longer, before a big movement begins. Lilly-of-the-Valley is the English name for Concallaria majalis. Since the form of the sidewise movement, plotted on a chart has a slight depression towards its centre (when looked at as a whole) the name fits well. Even Funkias, spoken of before, have a subname,

whose first part is that of lilly. Both grow in the shade well and bloom profusely. The Funkia in white or in blue, Convallaria blooms pure white. Having spoken at some other place about shifting of letters as well as of the farce made by the Ancients with languages they called Latin or Greek, which, are nothing but shifts, I can nicely demonstrate this right now. Funkia: if pronounced and thought of in German dialect, it seems: Funk, i-a! and that means: Spark and me too. Thus, all the flower buds of a Funkia plant are nothing but sparks from which a mass of bloom comes (a big upmove develops therefrom!). One more peculiarity must be mentioned. Towards the end of each such sidewise movement along the bottom side, we have one day, sometimes even two, when prices suddenly weaken a little more than usual, giving there a new low for the move. That is the signal that we are now turning for

the upswing. This is also the place where all the smarties got out-smarted, who carry stops just below the sidewise movement. They are always carried away when this short move comes in. Then the slate is clear and we can go. The traders who place stops there are wiped out and the up-parade starts.

On the top we have a similar picture, but formed by the picture of a plant called "Saxifrage". There are several species of that dwarf plant. However they like rocky, sunny places (no wonder when they give us tops!). Besides the land must be fairly dry. Normally a saxifrage blooms in yellow (jealousy of those who think they will be late in buying!!). At any rate, they grow but dwarflike in batches, nay even whole fields of them can be seen (lasting sidewise several weeks, not getting beyond on either side). However, at the end of such a move expect one that is contrary to expectation. As we come to the end of

the movement, they run suddenly up for a few days, just as if they would run through, (see grains Jan. 9-23, 1948!) but they change their mind and plunge down without notice until a good low is made and Funkias grow from thereon instead of Saxifrage. Even this beautiful Latin word is but a concoction of German and means: Sahst Du die Frage? i.e. Did you notice the question mark? The false upmove first before the wicked drop formed the question mark. All stops for protection were just carried away without much ado. That is why when I speak of stops at some other place in this little work, please keep in mind those special peculiar moves so that you are not carried away like the public. You may have read the story of "Quo vadis" by Scienkiwisch. This Latin sentence means: Where do you go? and it just applies to those two places explained here: sidewise movement (at a temporary low) with a sudden

one or two days drop bring forth an upmove. See grains 2nd of May, 1948. Sidewise movements at a temporary high with a sudden one or two days run up of a few points, bring forth a sharp drop and not a further advance. (Early January, 1948).

It is the old "mene tekkel uphar-sim" of the Bible: he saw, took and vanquished. In short, speaking of the fool's move upwards: He saw suddenly a rise, ran like the devil to jump on the horse before it got away, but found out that he had jumped on a critter . . .

The same can be applied when the formation is of the Funkia type, only the other way round.

Depending each time upon the length of the sidewise movement we can judge the amount of the actual movement in the contrary movement. Always watch for the fool's move, for the "thorn" which is full of pant parts. A few tests on back charts will quickly show you

the proportion that must be used for measurement.

Speaking of the proportional distribution of traders, we note that the large majority trades stocks of corporations, the next mass trades grains, followed by traders of cotton. However, the rest of the commodities are only handled by small groups who are especially interested in them, such as chocolate factories may trade in cocoa or big bakeries who can handle carloads of that nut for later use. The price fluctuations are as frequent and as big as in stocks, even though working in different time rhythms. While a dozen traders may watch cottonseed oil, a million watch the movements of stocks.

You would roughly guess that an odd, little traded commodity cannot be as active as a "common" stocks. Beware and don't get fooled. You may have in any of these commodities a three months or even longer period of sidewise move-

ment, followed by a wicked up or down of three or four hundred points, the very same way as in stocks, only different time schedules.

Speaking for a moment about bonds. The public is of the impression that they are more or less dead, safe issues that only pay dividends, but do nothing else. They can be as lively as a young frog. They usually even jump from one end to the very other. I remember many that declined to 1, stayed there for quite a while and in no time did they run up to 150 (not just to par) and hover there for a long time already. Don't try to tell me that because times became better they just had to take that ferocious run. That would be baby talk.

Bonds we have to compare to trees. They grow from seed to their extreme. Later on they are felled.

Of course, I am trying to steer over into quite something else and explain how a trader, small or large,

hangs like a beetle on a straw just to get an inkling of what the next or even the second next tick of the ticker tape might be. I saw in my time hundreds of them with their eyes glued to the tape from 10 to 3 as if they were looking at the legs of ballet dancers in a show. When it is three o'clock, they breathe again, thanks, that day's work is done . . . What work? Looking and guessing? Their minds run in that channel; just think yourself how you picked up the ways gradually, being vaccinated into thinking that same way too. After it was done, you felt like a child that you are from now on immune to any disease". Occasionally they gave you a new shot in the arm to see things better. And yet, if you are not out on the compost pile after twenty years of looking at the tape and hoping, you surely are not immune to any sudden rumblings of the bowels heard in one or the other of your stocks. The comparison oc-

curs to me that most traders, with their knowledge available through direct market channels are like beetles that run around the skin of some luscious fruit, apple, pear, peach, etc., which are ever unable to get into the real juicy part and yet, we all know that oftentimes we find fruit that has a beautiful worm inside. How did he get into it without making a hole?

Do you know that most of the inventions made in any field are made by outsiders and not by those who are actually connected with the industry, except in an off-hand way? The ones who have to do with the article in which an improvement had been made, have their eyes glued too much to the manufacturing, sales or distribution angle, to see anything else.

Thus, traders of any kind, be they in stocks, grains or other commodities are too busy finagling how they can squeeze a point here or there than to give a thought to the

situation, whether or not, approaches could be found, that might help them.

Do you know that there is a reason why most of the brokers offices are dark and dreary, heavily curtained temples of finance? That there is much ominous calm (probably due to much thinking going on) coupled with occasional chatter and laughs, as if a pile of plates had been dropped by some waiter on the way to or from the kitchen. It's most mysterious for newcomers, of that I am sure. But the actual traders know all about that. If you get better acquainted with them you even will hear all about what the markets will do and how they will make a clean-up on that next move, not even thinking that they have a 50-50 chance to be cleaned up on short notice, unless fate is kind to them. Now, is it fat or fate? or the fatness (wetness) of the land of which the Bible speaks?

There is an old proverb which

says: "Tell me with whom you keep company and I will tell who you are". No doubt when one lives out West for any length of time and returns to New York, he is astonished at what top speed they seem to go through life. Nothing seems fast enough for them! It's even contagious. When a New Yorker, on the other hand takes his yearly vacation in the country, he no doubt, has to ask himself how the country turtles ever can make a living, irrespective of how early they get up in the morning.

There are great differences not only in East and West, but state-wise, city-wise, family-wise. For example in my own community we have three adjoining towns. The occupants of each of those towns, not even speaking of those that live near the boundaries are as different as day and night. One of them has some 40 odd churches, the other has some two thousand artists of all sorts and lustre, the third is a

mercantile and fishing town. The psychology of the inhabitants fits the type of scenery wherein they live. The inhabitants of one community would not live in one of the two others, they do not even go there unless they just have to, by sheer force.

The very same situation we find in traders. A stock trader is for his own crowd, while a grain trader is only interested in grains. A hide trader, cocoa trader, etc., is that and nothing else. His commodity is his All, father, son and holy ghost. He does not want any demi-gods or substitutes. That is why stock traders are interested in New York; a grain trader in Chicago; a cotton trader in New Orleans. Another is interested only in Duluth, Minn., just because his flax is traded there.

The same way, in a city block you have a baker, a watch-maker and a candle-stick maker one next to the other. Each shop has its own tenure and vocabulary! So that the

speech in one shop differs completely from that of the other such as of baker and watch-maker, etc. And yet, it is them, counted altogether that we get the city block, the streets and the town as a whole.

Why the public likes to trade stocks and not the little used commodities, I explain in a rather hard-sounding way which, nevertheless, should hit correctly. Before I say it, I better make a little introduction to the subject else it may hurt too much.

While living in New York for twenty solid years I have often asked people why they do not move to some other place or state. The answer played around the idea that the opportunities of making money were not as easy as in New York proper. In short, it was the fear of being left out on a limb in the cold unknown. In New York, so they probably thought, if things did go sour, they had plenty of company, but not so in a burg that had less

than six million people. You may remember the proverb which says "Misery loves company". Do you blame them if they cling to stocks, about which they "know everything", but about the inferior commodities, they know nothing, unless someone should call buying a tire or a pair of shoes would furnish us with knowledge how the commodities rubber and hides move up and down.

Other examples: After a heavy down-pour (a big decline) we find all sorts of mushrooms in the woods. They taste very good! Also seeds germinate then!

After an accident of some kind (good sized decline) we see a gathering of all sorts of curiosity seekers. Something important must happen before the public wakes up again.